

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

SPORTS SHINKO CO., LTD., a Japanese corporation,) CIVIL NO. CV 04-00124
) ACK/BMK
Plaintiff,)
)	CONSOLIDATED CASES
vs.)
)	DECLARATION OF
QK HOTEL, LLC, a Hawai'i limited liability company, et al.,)
)	GLENN T. MELCHINGER
Defendants,)
))
and)
))
FRANKLIN K. MUKAI,)
))
Third-Party Plaintiff,)
))
vs.)
))
SPORTS SHINKO (USA) CO.; LTD., a Delaware corporation, et al.,)
Third-Party Defendants.)
-----)
SPORTS SHINKO (USA) CO., LTD.,) CIVIL NO. CV 04-00125
a Delaware corporation,) ACK/BMK
Plaintiff,)
))
vs.)
))
PUKALANI GOLF CLUB, LLC, a Hawai'i limited liability company, et al.,)
))
Defendants,)
))
and)
))
FRANKLIN K. MUKAI,)
))
Third-Party Plaintiff,)

DECLARATION OF GLENN T. MELCHINGER

Pursuant to 28 U.S.C. § 1746, I declare that:

1. I am an attorney with the law firm of Alston Hunt Floyd & Ing, counsel for Plaintiff and Third-Party Defendants, SPORTS SHINKO CO., LTD.; SPORTS SHINKO (HAWAII) CO., LTD.; SPORTS SHINKO (MILILANI) CO.; SPORTS SHINKO (KAUAI) CO., LTD.; SPORTS SHINKO (PUKALANI) CO., LTD.; SPORTS SHINKO RESORT HOTEL CORPORATION; SPORTS SHINKO (WAIKIKI) CORPORATION; and OCEAN RESORT HOTEL CORPORATION (the "SS Companies").

2. I make this declaration based on my personal knowledge and am competent to testify as to the matters set forth herein.

3. I have personally reviewed a large number of the SS Companies' documents in this case, as have the paralegals and other attorneys in my law firm at my direction. We have produced a large number of documents evidencing the intercompany debt. I have personally reviewed many hundreds of pages of documents evidencing the intercompany obligations between the SS Companies, including those between Sports Shinko (Mililani) Co., Ltd. and other SS Companies. These documents were not gathered together or organized for Mr. Marks because the SS Companies' documents have been produced as they were found in the files of the Sports Shinko entities, as kept in the ordinary course of business. We have not provided our firm's work product or compilations of these documents to Mr. Marks in response to his requests. We

have repeatedly advised him, in response to his requests that I locate and provide specific documents, that: (i) we, as attorneys for the SS Companies, are not and cannot be the judge of what is relevant to his clients' defense, so it is incumbent upon him to review the documents, and (ii) it is not our firms' responsibility at this point in the litigation to deliver our trial exhibits and work product to him. However, we have also provided to Mr. Marks an accounting of the intercompany debt balances created by the SS Companies' CPAs, Grant Thornton, apparently based on a review of the promissory notes and other documents, as well as the supporting documents that we obtained indirectly from Grant Thornton.

4. I have reviewed a large portion of the SS Companies' client files and other documents recovered from Mr. Franklin Mukai's law firm (the McCorriston law firm) in 2003 pursuant to two court orders entered in a proceeding ancillary to the Japan foreign bankruptcy (under 11 U.S.C. Sec. 304) in the U.S. Bankruptcy Court for the District of Hawai`i. The documents from Mr. Franklin Mukai's law firm contain many promissory notes and other documents evidencing the intercompany debt between the SS Companies, including many that Mr. Mukai apparently created or reviewed. My understanding from reviewing these documents is that Mr. Mukai advised on and documented the SS Companies' corporate structure, including their intercompany loans, and even

monitored and advised the SS Companies regarding debt to equity ratios and the tax consequences thereof.

5. I have been present in our office when the KG Defendants' counsel and agents have reviewed the SS Companies' documents produced in these consolidated cases. The SS Companies' documents have been made available only at our offices. My staff has advised me when Mr. Marks has attended the review, and my understanding is that Mr. Marks has personally reviewed only a relatively small portion of the documents produced by the SS Companies. He has left most of the review to a pair of paralegal/translators. Mr. Mukai's counsel has not yet reviewed many of the SS Companies' documents.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Honolulu, Hawai'i on March 15, 2006.

/S/ Glenn Melchinger
GLENN T. MELCHINGER